

FY 2009 Budget Brief – EOCJ – Utah State Treasurer

EOCJ-TRE 4

SUMMARY

The Treasurer is responsible for all state funds. The office controls the receipt and deposit of state monies, manages the banking relationships for all bank accounts, invests all funds at the highest market rates and provides liquidity for all state disbursements.

The Treasurer coordinates the sale of all debt authorized by the Legislature, operates a local government investment pool for the benefit of all public entities, reconciles bank accounts and manages the Division of Unclaimed Property. The office provides staff support for the Money Management Council which oversees the deposit and investment of all public monies.

Agency Structure

The Treasurer has four programs to fulfill its constitutional and statutory responsibilities. They are:

- Treasury and Investment**—facilitates the deposit and investment of state monies and manages the Public Treasurer's Investment Fund (PTIF). PTIF is a pool for all funds held by Utah local governments, city and county treasurers, state boards, commissions, institutions, departments, divisions, agencies, or other similar instrumentalities, school districts, and other public bodies.

The Office managed approximately \$10 billion in FY 2007: \$3 billion state funds; and \$7 billion local funds. The Treasurer earned \$83.5 million for the state and \$398.3 million for local governments. The average rate of return for FY 2007 was 5.21 percent.

The Treasurer is a member of the State Bonding Commission which issues debt for the state. He oversees the team of professionals who work together to issue debt including the financial advisor, bond counsel, disclosure counsel and underwriters. He coordinates all relations with bond rating agencies including formal presentations. The state had General Obligation Bonds Payable as of November 30, 2007 (net) of \$1.2 billion. The State has an additional \$1.2 billion in bonds authorized but not issued, which when sold will reduce bonding capacity.

Figure 1: State Treasurer - State Treasurer - Budget History

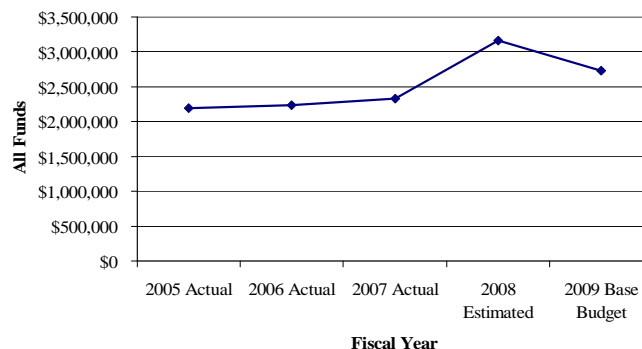


Figure 2: State Treasurer - State Treasurer - FTE History

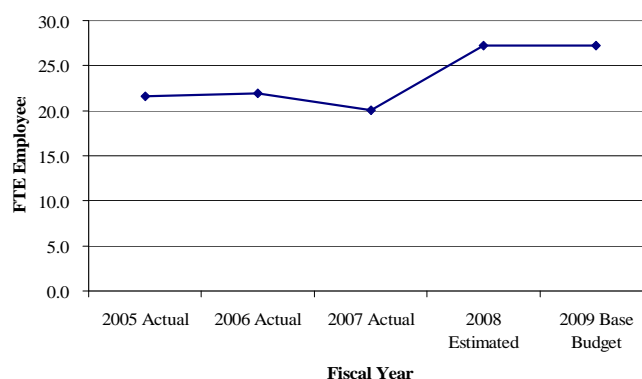
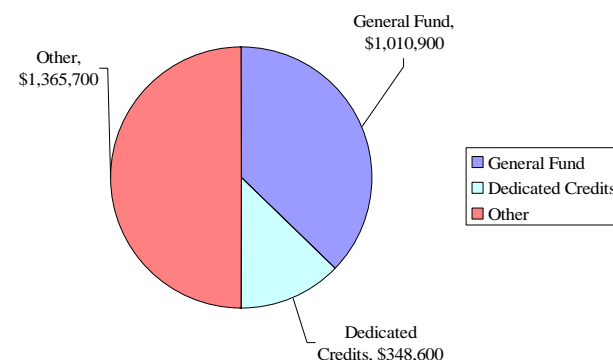


Figure 3: State Treasurer - State Treasurer - FY 2009 Funding Mix



- **Unclaimed Property Division**—reunites lost or abandoned property with its rightful owners. Property types include savings accounts, life insurance policies, payroll checks, safe deposit box contents, stocks and mutual funds, and other types of property. The costs of administering the Unclaimed Property Fund are paid from the trust fund. Any amount not returned to rightful owners is deposited in the Uniform School Fund. In FY 2007, the Division collected \$27.9 million and paid \$8.1 million to owners. The amount paid to the Uniform School Fund was more than \$18.1 million.
- **Money Management Council**—oversees the investments made by all Utah Public Treasurers. This involves dealing with over 700 public treasurers of varying professional skill levels. Additionally, the council must affirm the trustworthiness of more than 60 financial institutions which hold public funds.
- **Financial Assistance Program**—evaluates proposals for water and other infrastructure development submitted to the Community Impact Board, Board of Water Resources, the Water Pollution Control Committee and the Safe Drinking Water Committee. It prioritizes and makes standardized responses. The FTE is funded by the boards which utilize its service. Although dedicated credits have been appropriated, the program has been dormant in recent years.

ACTIVITY MEASURE

Activity Measure: As delineated above, the Unclaimed Property Program collects unclaimed property and distributes it to rightful owners. The following table provides recent information concerning property collected and distributed to lawful owners.

Unclaimed Property Program Property Collected and Paid to Rightful Owners In Millions of Dollars		
Fiscal Year	Property Collected	Property Paid
2003	\$15.9	\$8.5
2004	17.5	10.6
2005	20.2	10.0
2006	22.3	8.9
2007	27.9	8.1
Totals for Period	\$103.8	\$46.1

BUDGET DETAIL

Most of the funding in this budget pays for staff support for the office. Approximately 78 percent of the budget is for personnel services.

Budget Recommendation

The Analyst recommends a total FY 2009 appropriation of \$2,725,200 to the State Treasurer.

Intent Language

The Analyst recommends the Legislature consider continuation of intent language that: *funds provided for the State Treasurer shall not lapse.*

BUDGET DETAIL TABLE

State Treasurer - State Treasurer						
Sources of Finance	FY 2007 Actual	FY 2008 Appropriated	Changes	FY 2008 Revised	Changes	FY 2009* Base Budget
General Fund	938,900	1,010,900	0	1,010,900	0	1,010,900
General Fund, One-time	(6,300)	0	0	0	0	0
Dedicated Credits Revenue	237,200	293,600	30,000	323,600	25,000	348,600
Unclaimed Property Trust	1,309,500	1,365,700	0	1,365,700	0	1,365,700
Beginning Nonlapsing	405,000	0	466,700	466,700	(466,700)	0
Closing Nonlapsing	(466,700)	0	0	0	0	0
Lapsing Balance	(91,900)	0	0	0	0	0
Total	\$2,325,700	\$2,670,200	\$496,700	\$3,166,900	(\$441,700)	\$2,725,200
Programs						
Treasury and Investment	1,049,100	1,131,700	160,000	1,291,700	(105,000)	1,186,700
Unclaimed Property	1,214,200	1,365,700	331,700	1,697,400	(331,700)	1,365,700
Money Management Council	62,400	99,200	5,000	104,200	(5,000)	99,200
Financial Assistance	0	73,600	0	73,600	0	73,600
Total	\$2,325,700	\$2,670,200	\$496,700	\$3,166,900	(\$441,700)	\$2,725,200
Categories of Expenditure						
Personal Services	1,628,100	2,112,400	11,900	2,124,300	0	2,124,300
In-State Travel	9,400	2,500	5,900	8,400	1,100	9,500
Out of State Travel	7,200	15,000	(5,400)	9,600	100	9,700
Current Expense	555,300	459,100	263,200	722,300	(258,600)	463,700
DP Current Expense	93,800	81,200	34,800	116,000	2,000	118,000
DP Capital Outlay	31,900	0	186,300	186,300	(186,300)	0
Total	\$2,325,700	\$2,670,200	\$496,700	\$3,166,900	(\$441,700)	\$2,725,200
Other Data						
Budgeted FTE	20.1	27.3	0.0	27.3	0.0	27.3
Vehicles	1.0	1.0	0.0	1.0	0.0	1.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

FTE Detail

The Treasurer's Office provided the following information concerning the difference in the FTE count from FY 2007 Actual and the FY 2008 Appropriated:

- The actual FTE count is based on hours worked divided by 2,088 and does not pick up these employees:
 - As an elected official, Mr. Alter's hours do not show in the payroll system. However, his position is budgeted as 1.0 FTE. 1.0 FTE
 - The budget includes 0.5 FTE for one employee who works halftime for the Treasurer and halftime for the Auditor. The employee's hours are charged to the Auditor and the personnel expense is moved via Interagency Transfer. 0.5 FTE
- The Office has 3 longtime, efficient employees that work less than the FTE for which they are budgeted. If the Office had to replace them, it would have to use the full amount budgeted for the FTE. New employees would require more time. 0.75 FTE
- The Office currently has 5 vacant positions:
 - One position is for the Financial Assistance Program. It is funded by dedicated credits which the Office does not receive at this time.
 - Four positions are in the Unclaimed Property Program. The division has been restructured and positions have been left vacant through attrition. The division expects to hire an auditor and office specialist at the beginning of FY 2009. Other vacancies will depend on workload after filling these positions. 5.0 FTEs